



THE ATTORNEY GENERAL OF TEXAS

Gerald C. Mann
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ATTORNEY GENERAL

AUSTIN 11, TEXAS

Hon. George H. Sheppard
Comptroller of Public Accounts
Austin, Texas

Opinion No. O-4013
Re: Is the Comptroller au-
thorized to direct the State
Treasurer to release the de-
scribed bonds for the proposed
exchange?

Dear Sir:

We acknowledge receipt of your opinion request of recent date and quote from your letter as follows:

"This Department is in receipt of a letter from Mr. C. D. Simmons, Comptroller of the University of Texas, requesting the exchange of certain United States Government bonds. His letter is as follows:

"Will you please authorize Honorable Charley Lockhart, Treasurer of the State of Texas, to withdraw from the Treasury the following bonds belonging to the University Permanent Fund:

\$500,000.00 United States 2½% Treasury Bonds,
due 1958/56

to be sent to the Federal Reserve Bank in Dallas, Texas, for exchange into a like amount of registered bonds of the same issue, registered in the name of "The University of Texas, Austin, Texas."

"I would like your written opinion as to whether this department is authorized to direct the Treasurer to release these bonds for exchange as outlined."

We have been unable to find any specific statute authorizing your department to direct the Treasurer to release the bonds outlined in your letter. We understand, however, that it has been the custom for many years to withdraw coupon bonds belonging to the University Permanent Fund and exchange them for a like amount of registered bonds of the same issue, registered in the name of "The University of Texas, Austin, Texas".

Bonds registered in the name of the University are further protected from possible loss by theft or otherwise,

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and the interest is paid directly on this type bond and eliminates the necessity of clipping the coupons and sending them in for payment.

Article 2591a, Revised Civil Statutes of Texas, gives the Board of Regents of the University of Texas the authority to invest the Permanent Fund of the University in bonds of the United States. This article further provides that the bonds of the University Permanent Fund may at the discretion of the Board of Regents be sold and the proceeds reinvested for the Permanent Fund.

We see from the foregoing statute that the Board of Regents have control of the Permanent Fund of the University in that they have the authority to invest said fund and to withdraw the bonds and sell them and reinvest the proceeds. Therefore, they would certainly have the authority to further secure their bonds by exchanging coupon bonds for a like amount of registered bonds.

It follows, we think, that it is merely a ministerial duty of the Comptroller at the request of the Board of Regents, acting through the Comptroller of the University of Texas, to authorize the withdrawal of bonds owned by the University Permanent Fund to be sent to the Federal Reserve Bank in Dallas to be exchanged for a like amount of registered bonds of the same issue. Precaution should be taken to see that the bonds are properly insured.

Trusting that the above fully answers your inquiry,
we are

Very truly yours
ATTORNEY GENERAL OF TEXAS
By /s/ Claud O. Boothman
Claud O. Boothman, Assistant

APPROVED OCT 16, 1941
/s/ Grover Sellers
FIRST ASSISTANT ATTORNEY GENERAL

APPROVED: OPINION COMMITTEE
BY: BWB, CHAIRMAN
COB-s-wb